

ENVIRONMENTAL FARMERS NETWORK

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Environment and Communications Legislation Committee Secretariat
Parliament House Canberra, ACT 2600

Submission to the Inquiry into the Water Amendment Bill 2015

EFN represents farmers in Southeast Australia interested in sustainable farming in a social, environmental and economic sense. **EFN** seeks to improve the environmental health of private and public land in farming areas. We represent mostly commercial farmers concerned about the impact of climate change on farms, people and landscapes, loss of farm biodiversity and the loss of farmland and relatively natural areas to urban expansion.

Our policies are available at www.environmentalfarmersnetwork.net.au/ In particular, we encourage strong greenhouse gas mitigation and adaptation to climate change. We strongly support State and Federal Governments developing market mechanisms that reward those landholders providing ecosystem services such as retention and protection of biodiversity on farms and carbon sequestration.

EFN is concerned that the proposed amendments are not based on sound climate and hydrological science and will compromise an evidence based approach to the review of SDL's which will need to take place later this decade.

In particular, We are concerned the proposed amendments included in the Water Amendment Bill 2015 put at risk the delivery of sustainable diversion limits (SDLs) set through the Murray-Darling Basin Plan.

Our concerns are based on the availability of funding for future projects designed to achieve the required water savings to achieve the agreed SDL's without maintaining the flexibility of water purchased directly from entitlement holders.

Government audits have repeatedly found the purchase of entitlements to be the most cost effective mechanism of water recovery. The current Government's decision to cap buy backs is clearly an enforceable political decision, however should not be included in legislation which would remove management flexibility in a very much uncertain future.

Infrastructure upgrades and on-farm efficiency measures are becoming prohibitively expensive, as the market prices of water, both permanent and temporary escalate.

With current water prices many irrigators are taking the decision to self-fund on-farm efficiency upgrades and retain water entitlements for trading into the future.

Australia has led the world in developing a market based approach to transfer of water entitlements. It helped us survive the millennium drought with very little reduction in

productivity. It has enabled water to move to higher value cropping enterprises, getting more dollar return for every mega litre delivered

The pricing increase trend will continue with the expansion of high value crops such as cotton into the Southern Murray Darling Basin, a transition which is bringing a higher value add to the region.

Also of concern is the Bills lack of clarity surrounding the calculation of the ‘long term annual average quantity of water that can be accessed’. What is the definition of this long term annual average quantity of water and does it align with the 1162GL water already recovered on The Department of Environment’s website?

Imposing a legislated limit on water purchase has the potential to severely compromise this and future government’s ability to ‘bridge the gap’ to the SDLs. Most importantly, it signals Government intervention in a properly constituted market.

John Pettigrew
EFN Water Resources spokesperson
31 July 2015